

Consultation document:

- **Annual practising certificate fee for dentists and dental specialists**
- **Disciplinary levy for dentists and dental specialists**

Issued: 16 June 2015

Submission closing date: 29 July 2015

1. Introduction

Health practitioner annual practising certificate (“APC”) fees and disciplinary levies are set by health regulatory authorities under sections 130 and 131 of the Health Practitioners Competence Assurance Act 2003 (the “Act”).

In November 2014 the Dental Council (“Council”) consulted on the 2015/16 budget. Following consideration of feedback from stakeholders the budgetary figures have now been confirmed and closing reserves as at 31 March 2015 determined.

Council has spent considerable time and effort preparing and refining the 2015/16 annual plan which sets out the key deliverables for the year to advance the strategic priorities, as set out in the strategic plan. The Council approved budgets and APC fees and disciplinary levies set for each dental profession, support the Council in achieving its annual plan.

Council is consulting on the dentist and dental specialist (“Dentist”) APC fee and disciplinary levy.

The purpose of this consultation document is to advise stakeholders that Council is proposing to gazette the 2015/16 APC fee and disciplinary levy to be effective for the recertification year commencing 1 October 2015.¹ It is now consulting stakeholders on the:

1. APC fee for dentists and dental specialists; and
2. disciplinary levy for dentists and dental specialists.

Council is seeking stakeholder feedback on its proposals by 29 July 2015. The consultation period will enable feedback to be considered by Council at their 3 August 2015 meeting, prior to finalising the new APC fee and disciplinary levy to be effective from 1 October 2015.

Under section 132(2) of the Act, the gazette notice giving effect to any change in APC fee and disciplinary levy, must be published at least 28 days prior to its effective date. To meet the 28 days’ notice period, Council must gazette the new APC fee and disciplinary levy by 27 August 2015 at the latest.

2. Fee and Levy Setting Principles

Council abides by the good practice guidelines established by both the Office of the Auditor-General and by Treasury. In so doing, it must ensure it takes into account the principles of authority, efficiency and accountability when setting fees; as well as equity issues and likely costs.

Council is committed to ensuring that it operates in a cost effective manner and strives to maintain a balance between ensuring the efficient and effective discharge of its public safety obligations and practitioner affordability. Upon this basis, Council’s budget, and its fees and levies are calculated on a full cost recovery basis.

Council is committed to ‘user pays’ and full cost recovery principles to ensure no subsidisation or cross-subsidisation occurs. This extends to ensuring full recovery for the costs associated with registration of oral health practitioners in a particular scope of practice; the costs of a competence or other programmes established for a practitioner to maintain registration; the examination of candidates to enable them to obtain a New Zealand prescribed qualification that leads to registration; and, for the costs of maintaining non-practising registrants on the register.

¹ All values for fees and levies are shown in this consultation document, are exclusive of GST, unless otherwise stated.

3. Proposed Dentist and Dental Specialist 2015/16 Annual Practising Certificate Fee

Section 130 of the Health Practitioners Competence Assurance Act 2003 (the “Act”) provides that Council:

- (1) ...may prescribe the fees payable in respect of the following matters:
 - (a) ...
 - (b) ...
 - (c) the issue of a practising certificate;

The following table sets out the proposed Dentist and Dental Specialist 2015/16 APC fee, compared to 2013/14 and currently 2014/15:

Dentists and Dental Specialists	2013/14	2014/15	2015/16
	Actual	Actual	Proposed
APC Fee	\$729.64	\$716.11	\$725.27

APC fees vary across each dental profession that Council administers.² The level of APC fee per practitioner depends on; the budgeted number of practitioners, each profession’s share of budgeted Council costs including capital expenditure, direct profession income and expenditure budgets and minimum reserve levels set for each profession under Council’s *Level of Reserves Policy*.

Appropriate operational reserve levels are maintained through prudent budgeting and forecasting, by rationing and prioritising resources and by adjusting annual practising fees to not only meet operational activities, but also to provide a buffer against an unknown number of competence cases, appeals or judicial reviews. In this way the financial viability of the Dental Council is sustained.

Council after careful consideration proposes to set the 2015/16 Dentist APC fee at \$725.27 plus GST.

Council has been able to maintain the APC fee at near to 2014/15 levels by drawing on surplus operational reserves. The surplus reserves have arisen in the main from the deferral of expenditure originally budgeted and funded for 2014/15, to the 2015/16 year.

4. Proposed Dentist and Dental Specialist 2015/16 Disciplinary Levy

Section 131 of the Act provides that Council:

- (1) ...may from time to time, by notice in the *Gazette*, impose on every health practitioner registered with ...[Council] a disciplinary levy of any amount that it thinks fit for the purpose of funding the costs arising out of:
 - (a) the appointment of, and any investigation by, any professional conduct committee (PCC); and,
 - (b) proceedings of the [Health Practitioners Disciplinary] Tribunal.

Disciplinary reserves are maintained to cover the costs of discipline cases already underway and to provide a buffer against an as yet unknown number of new discipline cases. In 2014/15 Council incurred external costs totalling \$103,474 for Professional Conduct Committee (“PCC”) investigations, Health

² The Dental Council administers the following professions: Dentists & dental specialists, dental therapists, dental hygienists & orthodontic auxiliaries, and dental technicians & clinical dental technicians.

Practitioner Disciplinary Tribunal (“HPDT”) hearings and an appeal to the High Court. They were comprised as follows:³

2014/15 Costs	PCC	HPDT	Appeal	Total
	\$	\$	\$	\$
Case 1		11,327	54,640	65,967
Case 2	10,206	18,271		28,477
Case 3	1,100			1,100
Case 4	7,588			7,588
Case 5	114			114
Incidental costs		228		228
	19,008	29,826	54,640	103,474

Case 1: HPDT costs of \$89,187 were also incurred in 2013/14 giving a total case cost of \$155,154.

Case 2: PCC and HPDT costs of \$4,408 and \$3,121 respectively, were also incurred in 2013/14 giving a total case cost of \$36,006.

Case 3: PCC costs of \$1,997 were also incurred in 2013/14 giving a total case cost of \$3,097.

Disciplinary costs incurred had a significant impact on dentists’ disciplinary reserves, which at 31 March 2015 stood at \$47,987 compared to a minimum of \$125,000 required under Council’s *Level of Reserves Policy*. This represents a deficit of \$77,013 to be recouped from the disciplinary levy.

In addition, based on historic expenditure and on identified investigations and hearings not yet commenced or not yet completed, Council has budgeted for disciplinary costs during the 2015/16 year.

Council proposes to set the Dentist 2015/16 disciplinary levy at \$144.52 plus GST.

5. Proposals

The Dental Council is consulting on the setting and gazetting of:

1. an APC fee for dentists and dental specialists of \$725.27 plus GST;
2. a disciplinary levy for dentists and dental specialists of \$144.52 plus GST;

both of which shall apply from 1 October 2015.

³ HPDT and High Court decisions are published on Council’s website at: <http://www.dcnz.org.nz/i-practise-in-new-zealand/health-practitioners-disciplinary-tribunal/health-practitioners-disciplinary-tribunal-decisions/>. The outcome of PCC investigations are communicated to the complainant, but are not published.

6. Submissions

The objective of the consultation is to gather views from stakeholders to enable Council to make a final decision on the proposals.

Council is consulting on the above proposals with all oral health practitioners, relevant associations and societies, the Ministry of Health, District Health Boards and other organisations with an interest. The proposals will also be published on the Council's website, with a similar invitation to comment.

Publishing of submissions on the Council website

This is a public consultation. All submissions will be published on the Council's website. However, information which is submitted in confidence can be treated as such by the Council, provided the reason for confidentiality is clearly detailed. Confidential information must be clearly marked, and provided separately from the general submission that will be published. The Council may request a non-confidential summary of the confidential material be provided for publishing on the Council's website.

The views expressed in the submissions to consultations are those of the individuals or organisations who submit them. Their publication does not in any way associate the Council with those views.

If the Council considers that the content of submissions is inappropriate for any reason (such as being defamatory) – or risks being seen by others as inappropriate – we may choose to not publish a submission in part or full. In making such a decision we may consult with a submitter, including to seek agreement for the submission content to be amended for publication, or not to be published at all. However, the overall objective is that of openness and transparency.

Before publication, we may remove personal contact details from the submitter, such as email addresses.

Closing date for submissions

Council invites comments on the proposals which must be received in its office by **5.00pm on Wednesday 29 July 2015** after which Council will consider all submissions at its next Council meeting following that date.

Responses should be sent to:

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Fax: 04 499 1668
Email: consultations@dcnz.org.nz

Yours sincerely,



Marie Warner
Chief Executive